

January 8, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RESOLUTION AND NOTICE OF INTENTION TO PURCHASE REAL PROPERTY
ACQUISITION OF IMPROVEMENTS PERTAINING TO THE REALTY
COMPENSATION FOR LOSS OF GOODWILL
EAST LOS ANGELES CIVIC CENTER PROJECT
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution and Notice of Intention to purchase real property at 4842 East 3rd Street, Los Angeles, consisting of a total land area of 15,130 square feet with 3,925 square feet of building improvements, and certain improvements to the realty (collectively referred to as Real Property) for a purchase price of \$460,260.
2. Instruct the Executive Officer of the Board of Supervisors to carry out the necessary steps for minimum legal advertising.
3. Consider the Negative Declaration, together with the fact that no comments were received during the public review process and find that the project will not have a significant effect on the environment, that the Negative Declaration reflects the independent judgement of the County, and approve the Negative Declaration. Find that the purchase of the subject property will have no adverse impact on wildlife resources and authorize the Chief Administrative Office (CAO) to complete a Certificate of Fee Exemption for the project.

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4. Approve the enclosed Agreement for Acquisition of Improvements Pertaining to the Realty, Movable Equipment and Compensation for Loss of Goodwill (collectively referred to as Property Interests) for an aggregate purchase price of \$156,730.
5. Authorize the CAO to open an escrow for the subject Real Property and Property Interests, the closing of which is contingent upon consummation of the purchase.

IT IS FURTHER RECOMMENDED THAT, AT THE TIME OF CONSUMMATION, YOUR BOARD:

- a. Order the purchase consummated in accordance with Section 25350 of the Government Code and instruct the Chairman to execute the Purchase and Sale Agreement for the Real Property upon presentation to the Executive Officer of the Board by the CAO.
- b. Instruct the Chairman to execute the Agreement of Acquisition for the Property Interests upon presentation of the same to the Executive Officer of the Board by the CAO.
- c. Authorize the Auditor-Controller to issue warrants to cover the purchase price for the Real Property, the Property Interests and any other required transactional costs or escrow fees, which are estimated not to exceed \$5,000.
- d. Authorize the CAO to execute escrow instructions and any other related documentation necessary to close escrow, and accept the Deed conveying title to the County.
- e. Instruct the Assessor's office to remove the subject Real Property from the tax roll effective upon the close of escrow.
- f. Authorize the Department of Public Works (DPW) to demolish any existing building improvements on the Real Property.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 20, 2001, your Board directed the CAO to enter into negotiations to acquire real property for the East Los Angeles Civic Center (ELACC) project in order to facilitate the development of a surface parking lot.

§ The acquisition of this subject parcel, along with the proposed purchase of two additional properties (negotiations are underway), will provide enough land for approximately 100 parking spaces, which would satisfy the Regional Planning Department's parking requirement for the proposed ELACC project and accommodate the parking needs for County staff and patrons utilizing County-related programs/services within the expanded ELACC.

§ An analysis by DPW indicates a significant cost benefit of \$6,500/per parking stall can be achieved by the County, if a surface parking lot is developed as an alternative to expanding and structurally retrofitting the existing ELACC 4-story parking facility, at an estimated cost of \$3.5 million.

§ The development of the surface parking lot will eliminate the need for the temporary closure of the ELACC 4-story parking structure (320 parking stalls) during expansion and structural retrofit, as previously planned, and allow the public uninterrupted access to County services/facilities.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The acquisition, planning and development of a surface parking facility to serve a County/public need, supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2).

FISCAL IMPACT/FINANCING

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Funding for the total acquisition cost of \$616,990, plus expenses, for the Real Property and Property Interests, is available in the Fiscal Year 2001-02 Capital Project budget for the ELACC Replacement Facilities.

The CAO, as stated earlier, has presented two additional purchase offers to owners of record for the purchase of two adjacent parcels totaling almost 25,000 square feet of land. Estimated compensation for these two potential acquisitions, as well as all related hard/soft costs to develop the surface parking lot are also available in the Fiscal Year 2001-02 Capital Project budget for the ELACC Replacement Facilities. A formal recommendation outlining the terms and conditions of the proposed acquisitions will be submitted to your Board for approval when negotiations have been concluded.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 21, 1999, your Board approved a Preferred Concept Plan for the ELACC project, which established a planning and design concept framework for the improvement of existing and new civic center facilities, along with other on-site circulation design features that will enhance the safety and convenience of visiting vehicular/pedestrian traffic. A value-engineered project was approved by your Board on February 20, 2001.

- § Fair market value appraisals have been completed and utilized to support the established compensation being offered to the Friedman Family Trust, owner of the Real Property (\$460,260) and its tenant, Mr. and Mrs. Kamal Ibrahim (Ibrahim), owners of the Property Interests (\$156,730) found in the respective enclosed agreements.
- § Efforts to relocate the existing business, a small neighborhood market being operated by the Ibrahim's to a suitable replacement site which would allow them to continue operations have been exhausted, necessitating a complete "buy out" of the going concern, including their share of the improvements to the realty, trade fixtures (movable equipment), compensation for the loss of goodwill and estimated unsold

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perishable and refrigerated inventory.
Publication of the enclosed Resolution and Notice of Intention to Purchase prior to your Board's consummation of the purchase of the property satisfies the requirements of Government Code Section 25350; the Agreements have been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The CAO has made an initial study of environmental factors and as required by the California Environmental Quality Act and California Code of Regulations, Title 14, Division 6, Section 15072 (a) (2) B, filed and posted the study, along with the Notice of Preparation of Negative Declaration, with the County's Registrar-Recorder Office. The approval of the enclosed Negative Declaration is appropriate, based on the findings that the project will not have a significant effect on the environment and that no comments were received during the public review period. A fee must be paid to the State Department of Fish and Game when certain notices required by CEQA are filed with the County Clerk. The County is exempt from paying this fee when your Board finds that the project will have no significant impact on wildlife resources. This project is located on previously developed and urbanized land, and the Initial Study incorporated in the Negative Declaration concluded there will be no adverse effect on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The acquisition of this Real Property and related Property Interests will not impact the delivery of County services and will provide a long-term solution to the ELACC parking needs.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return a stamped copy of the adopted Board letter, a certified copy of the Minute Order and executed copies of each acquisition agreement to the CAO Real Estate Division, 222 South Hill Street - 3rd Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:CM:kh

Attachments (6)

c: County Counsel
Auditor-Controller
Department of Public Works
Assessor
Internal Services Department (Parking Operations)